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July 14, 2004

VIA OVERNIGHT DELIVERY

Mr. Vernon A. Williams
Secretary
Office of the Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423

RECORDATION NO. 25067 FILED

JUL 15 '04

11-46 AM

SURFACE TRANSPORTATION BOARD



Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two original executed and two photostatic copies of the Memorandum of Lease, dated as of May 5, 2004 (the "Memorandum of Lease") between Citicorp Railmark, Inc. ("Lessor") and Dakota, Minnesota & Eastern Railroad Corporation ("Lessee"), which Memorandum of Lease is a primary document as defined in the Surface Transportation Board's Rules for the Recordation of Documents.

The names and address of the parties to the enclosed Memorandum of Lease are:

Lessor: Citicorp Railmark, Inc.
450 Mamaroneck Avenue
Harrison, New York 10528

Lessee: Dakota, Minnesota & Eastern Railroad Corporation
140 N. Phillips Avenue
Sioux Falls, South Dakota 57104

A description of the railroad equipment covered by the enclosed document is set forth in Exhibit A to the Memorandum of Lease.

Also enclosed is a check in the amount of \$30.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Piper Rudnick

Mr. Vernon A. Williams

July 14, 2004

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Kindly return one stamped original and two stamped photostatic copies of the enclosed document and the stamped photostatic copy of this letter to Susan G. Lichtenfeld at Piper Rudnick LLP, 203 North LaSalle Street, Suite 1800, Chicago, Illinois 60601.

Following is a short summary of the enclosed document:

Primary Document to be Recorded

Memorandum of Lease, dated as of May 5, 2004 between Citicorp Railmark, Inc., as lessor, and Dakota, Minnesota & Eastern Railroad Corporation, as lessee, covering one hundred ninety (190) 65' gondola railcars described therein.

Very truly yours,

PIPER RUDNICK LLP


Susan G. Lichtenfeld

Enclosures

MEMORANDUM OF LEASE

RECORDATION NO. 25067 FILED

Dated as of May 5, 2004, between:

JUL 15 '04

11-46 AM

CITICORP RAILMARK, INC. ("Lessor")
450 Mamaroneck Avenue
Harrison, New York 10528

SURFACE TRANSPORTATION BOARD

and

DAKOTA, MINNESOTA & EASTERN RAILROAD CORPORATION ("Lessee")
140 N. Phillips Avenue
Sioux Falls, SD 57104.

The parties have entered into that certain RAILCAR NET LEASING AGREEMENT ("Lease"), dated as of May 5, 2004 pursuant to which the Lessor grants to the Lessee a leasehold interest in **those certain railroad cars particularly described in Exhibit A hereto** under Rider 1 to the Lease.

The parties wish to show for the public record the lease in the aforesaid property, and accordingly have caused this memorandum to be executed by their officers thereunto duly authorized, as of the date first above written. This document is a primary document under 49 CFR § 1177.1(a); the Lease is a master lease subject to future additional riders.

CITICORP RAILMARK, INC.

DAKOTA, MINNESOTA & EASTERN
RAILROAD CORP.

By: 

Its: SENIOR VICE PRESIDENT

By: 

Its: Kurt V. Feaster, Sr. V.P.,

Chief Financial Officer & Secretary

STATE OF NEW YORK)
)
COUNTY OF WESTCHESTER)

SS:

On this 7th day of July, 2004, before me personally appeared Bonford Holey, to me personally known, who being duly sworn, says that he is a SENIOR VICE PRESIDENT of CITICORP RAILMARK, INC., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

DONALD E. HOYT
Notary Public, State of New York
No. 02HO5044718
Qualified in Westchester County
Commission Expires June 5, 2007

Donald E Hoyt

Notary Public

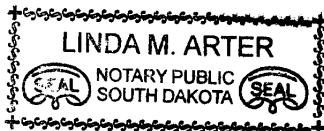
[NOTARIAL SEAL]

My Commission Expires:

STATE OF SOUTH DAKOTA)
)
COUNTY OF MINNEHAHA)

SS:

On this 12th day of July, 2004, before me personally appeared K.V. Feaster, to me personally known, who being duly sworn, says that he is a S.U.P. Finance of DAKOTA, MINNESOTA & EASTERN RAILROAD CORP., that said instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



[NOTARIAL SEAL]

Linda M. Arter
Notary Public

My Commission Expires: 01/09

Exhibit A

CAR MARKS AND NUMBERS

190 65' gondola railcars bearing the following car marks and numbers (all inclusive):

<u>Old Mark & Number</u>	<u>New Mark & Number</u>
WCTR 17000 – WCTR 17001	ICE 17000 – ICE 17001
WCTR 17003 – WCTR 17011	ICE 17003 – ICE 17011
WCTR 17013 – WCTR 17015	ICE 17013 – ICE 17015
WCTR 17017 – WCTR 17019	ICE 17017 – ICE 17019
WCTR 17022	ICE 17022
WCTR 17024	ICE 17024
WCTR 17026 – WCTR 17034	ICE 17026 – ICE 17034
WCTR 17037 – WCTR 17049	ICE 17037 – ICE 17049
WCTR 17051 – WCTR 17052	ICE 17051 – ICE 17052
WCTR 17054 – WCTR 17056	ICE 17054 – ICE 17056
WCTR 17059 – WCTR 17062	ICE 17059 – ICE 17062
WCTR 17064 – WCTR 17065	ICE 17064 – ICE 17065
WCTR 17067 – WCTR 17069	ICE 17067 – ICE 17069
WCTR 17072	ICE 17072
WCTR 17074 – WCTR 17084	ICE 17074 – ICE 17084
WCTR 17086	ICE 17086
WCTR 17088 – WCTR 17091	ICE 17088 – ICE 17091
WCTR 17093	ICE 17093
WCTR 17095 – WCTR 17099	ICE 17095 – ICE 17099
WCTR 17101 – WCTR 17105	ICE 17105 – ICE 17105
WCTR 17107 – WCTR 17112	ICE 17107 – ICE 17112
WCTR 17114 – WCTR 17119	ICE 17114 – ICE 17119
WCTR 17121 – WCTR 17124	ICE 17121 – ICE 17124
WCTR 17126 – WCTR 17128	ICE 17126 – ICE 17128
WCTR 17131 – WCTR 17133	ICE 17131 – ICE 17133
WCTR 17137 – WCTR 17141	ICE 17137 – ICE 17141
WCTR 17144	ICE 17144
WCTR 17146	ICE 17146
WCTR 17148 – WCTR 17149	ICE 17148 – ICE 17149
WCTR 17151 – WCTR 17154	ICE 17151 – ICE 17154
WCTR 17156 – WCTR 17163	ICE 17156 – 17163
WCTR 17165	ICE 17165
WCTR 17167	ICE 17167
WCTR 17167	ICE 17167
WCTR 17172	ICE 17172
WCTR 17174 – WCTR 17180	ICE 17174 – ICE 17180
WCTR 17182 – WCTR 17185	ICE 17182 – ICE 17185
WCTR 17187 – WCTR 17194	ICE 17187 – ICE 17194

WCTR 17196 – WCTR 17198	ICE 17196 – ICE 17198
WCTR 17200 – WCTR 17206	ICE 17200 – ICE 17206
WCTR 17208 – WCTR 17209	ICE 17208 – ICE 17209
WCTR 17211 – WCTR 17213	ICE 17211 – ICE 17213
WCTR 17215 – WCTR 17220	ICE 17215 – ICE 17220
WCTR 17222 – WCTR 17223	ICE 17222 – ICE 17223
WCTR 17225 – WCTR 17226	ICE 17225 – ICE 17226
WCTR 17228 – WCTR 17229	ICE 17228 – ICE 17229
WCTR 17232 – WCTR 17234	ICE 17232 – ICE 17234
WCTR 17236 – WCTR 17240	ICE 17236 – ICE 17240
WCTR 17242 – WCTR 17244	ICE 17242 – ICE 17244
WCTR 17246 – WCTR 17249	ICE 17246 – ICE 17249